SPEAKEASY

January 2006

Tribal enrollment cards now authorized as I.D. for alcohol, tobacco purchases

A bill passed by the 2005 Legislature allows tribal enrollment cards to be accepted as identification (I.D.) for purchasing alcohol or tobacco products if:

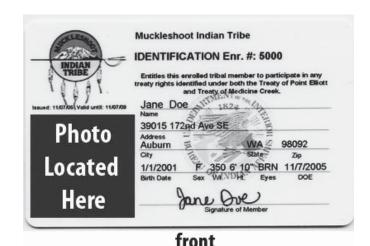
- 1) The tribe notifies the Liquor Control Board it intends to use tribal cards for this purpose.
- 2) The cards have security features that compare to a state driver's license.

There are 29 federally recognized Indian tribes in Washington. Each tribe may issue enrollment cards to members. There are no federal standards for tribal enrollment cards. The Secretary of State and the Washington State Department of Licensing accept tribal enrollment cards as secondary forms of identification.

The Muckleshoot and Tulalip tribes are currently using tribal I.D. cards as identification for liquor and tobacco purchases. To view examples of tribal enrollment cards currently accepted as I.D. visit www.liq.wa.gov/publications/tribalidpage.asp.

Tribal members can begin using their enrollment card 90 days after the request is made to the Liquor Control Board.

Tribes wishing to use enrollment cards as official I.D. may contact Pam Madson, Senior Policy Analyst, at pkm@liq.wa.gov or by calling (360) 664-1648.



Place Fisher ID Validation Sticker Here

PROPERTY OF THE MUCKLESHOOT INDIAN TRIBE
If found, please return to: 39015 172nd Ave. SE Auburn WA, 98092

John Carriels J.

Tribal Chairman, Muckleshoot Indian Tribe

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LCB proposes slight increase in state license limit

The LCB submitted a bill for consideration this session proposing a slight increase in the number of spirits, beer, and wine restaurant licenses allowed in the state. The number of licenses allowed is based on the state's total population. About 4,100 establishments hold spirits, beer and wine licenses. The state cap is about 4,300.

The slight increase in the cap will permit the LCB flexibility in issuing new licenses during 2006 while an agency task force begins a more in-depth study of what number of licenses is appropriate for the state given its growing population. Without the increase, the state might reach its license limit.

The state's license limit formula of one license per 1,500 persons was adopted in 1949 by the Legislature based on 1940 census data. The The state's license limit formula of one license per 1,500 persons was adopted in 1949 by the Legislature based on 1940 census data.

state's population has grown from 1,736,191 million people in 1940 to about 6.3 million in 2005.

The license limit formula is only one instrument used to control the number of establishments selling liquor by the drink. Local governments also can control license density through their business permit process and by other means.

The task force created by the LCB will address public safety issues and community needs regarding license density over the next year. Licensees, members of the regulatory community and city and county government representatives will participate. The task force will discuss many methods to manage licensee density.

Flavored malt beverages definition sought by LCB

The LCB will submit agency-request legislation to define flavored malt beverages as beer products for consideration during the 2006 session. This legislation will allow Washington to formally comply with a recently adopted federal standard for flavored malt beverages.

Washington has treated flavored malt beverages as beer products while awaiting the federal standard since 1996.

In 2005, the U.S. Alcohol Tobacco Tax and Trade Bureau adopted standards for malt beverages that apply to the amount of distilled spirits contained in any flavorings added to such products.

New Standards

Malt beverages under six percent

A malt beverage of six percent or less alcohol
by volume cannot derive more than 49
percent of its alcohol content from flavored
spirit additives. Fifty-one percent of the total
alcohol content must be fermented.

Malt beverages over six percent
A malt beverage with more than six percent
alcohol by volume can derive only 1.5 percent
of its alcohol content from flavored spirit
additives.

For more information about this bill, please contact Pam Madson, Senior Policy Analyst, at pkm@liq.wa.gov, or by calling (360) 664-1648.

New 11 p.m. rules adopted for restaurants

The Washington State Liquor Control Board recently adopted several agency policies into rules for spirits, beer and wine licensed restaurants.

11 p.m. rules

Several new rules took affect that applying to licensed restaurants using their dining areas as entertainment venues after 11 p.m.

One rule gives a licensee two options for service after 11 p.m.

Option 1

If a dining area is used as a live entertainment venue after 11 p.m. and alcohol is served, the restaurant must classify the dining area as a lounge and restrict access to adults only.

Option 2

The restaurant may operate its dining area as an entertainment venue after 11 p.m. and allow minors to be present if it provides notice to the LCB 48 hours in advance that sales and service of alcohol will cease at 11 p.m.

Barriers separating minors from adults

A new rule requires spirits, beer and wine restaurants to have fixed. 42-inch barriers separating minors from areas off limits to minors.

The new fixed barrier rule also applies to dining areas used as entertainment venues after 11 p.m. and all other areas in a spirits, beer and wine restaurant classified as off-limits to minors, including game rooms. Liquor bars cannot be used as the barrier. The authority for the rule is found in Washington Administrative Code 314-02-025 (3).

Prior to this rule change, barriers separating minors from off-limits areas could be moveable. Licensees with moveable barriers are permitted to keep them until they request alterations in their floor plan or until the premises changes owners.

Licensees allowing minors to view entertainment must provide non-restricted access to areas such as washrooms, exits or dining areas.

Meal Requirements

Spirits, beer and wine restaurants are now required to serve at least four complete meals. The previous rule required them to serve at least five complete meals, one of which could be a sandwich or deep fried food. This change merely clarifies the existing rule.

Other changes include further defining dedicated dining areas, food counters, liquor bars and game rooms, and discontinuing the policy regarding minors in game rooms. The general rule regarding game rooms already exists in Washington Administrative Code 314-11.

To read the full text of rule changes and the affected Washington Administrative Code sections visit the LCB "recently adopted rules" Web page at www.liq.wa.gov/rules/Rules_Adopted.asp.

LCB rules now require 90-day local notification

Last April, the Liquor Control Board adopted into rule a set of practices that have been in place for a number of years. The rules provide a 90-day notification period for local authorities wishing to comment on license renewals.

The Board also eliminated language that allowed communities the option of requesting a public hearing.

For questions regarding agency laws and rules, contact Pam Madson, Senior Policy Analyst, at pkm@liq.wa.gov or by calling (360) 664-1648.

Letter to the Washington Restaurant Association

The following is an excerpt from a letter written by Pat Kohler, Administrative Director of the LCB, to the Washington Restaurant Association for WRA's February newsletter.



Pat Kohlei

The Washington State Liquor Control Board recognizes the important role it plays in the operation of your businesses, and we are committed to addressing issues some of your members have raised in recent months. Throughout the last two years we have worked diligently on these issues – and we have been succeeding!

Distribution Center Improvements

Earlier this year we hired a new general manager, Matt Pridgeon, who has led a comprehensive process improvement initiative at the Distribution Center. Key elements of this have been:

- Intensive employee and workgroup training to change the work culture.
- The addition of 45 new deck lanes last fall to improve product flow.
- Renewed and continuing safety emphasis.
- Increased emphasis on supplier accountability.
- Additional staffing, equipment and technology improvements.

Results

As a result of these improvements, we are now meeting and regularly exceeding our target goal of a 95 percent fill rate at the DC. Our workplace grievances decreased from 35 during the first half of 2005 to four during the second half. Our delivery no-shows and cancellations have decreased by 10 percent. We are confident we are moving in

the right direction at the DC.

Distribution Center Expansion

The 2005 Legislature appropriated \$20.5 million for improvements to the DC, including the new deck lanes noted above and a major 62,000-square-foot expansion of the facility, scheduled for completion in 2007. This appropriation included additional upgrades at the DC: shipping and receiving doors, more storage capacity, a new pick module and pick module conveyor, a new turret truck, and a system software upgrade that should further improve our ability to supply product and run an efficient warehousing operation.

Store Improvements

New emphasis on inventory management, improved cost accounting processes, new shelf displays, improved point-of-sale technology and more effective scheduling practices are part of a comprehensive retail business plan being implemented.

In 2004 and 2005 we completed a major technology upgrade in our stores by providing new point-of-sale hardware and software.

This biennium we are conducting two important pilot programs to improve store performance. A Sunday sales pilot program in 20 state stores appears to be exceeding its sales targets. A second program, designed to improve store performance, will help us determine what the optimal staffing for our stores should be as our sales continue to increase.

The Washington State Liquor Control Board is committed to achieving the highest level of customer service possible. We continue to seek advice and assistance from the regulated community as we approach the challenges of the future.

Smoking ban a local enforcement challenge

The new law prohibiting smoking in all indoor places has prompted many calls to the Washington State Liquor Control Board. Business owners, customers, and concerned citizens want to know who is responsible for enforcing the law.

The simple answer is that the law is enforced at the local level. Liquor enforcement officers are not empowered to cite a business for smoking infractions. However, they may relay information to the local authority if they observe illegal smoking taking place when they visit licensed establishments.

The Washington State Department of Health provides direct links to county contacts and to answer questions about the new statewide smoking ban at:

www.doh.wa.gov/LHJMap/LHJMap.htm.

Voters passed Initiative 901 last November to amend the 1985 Clean Indoor Air Act. initiative expands the definition of "public place"

The definition of "public place" includes private residences used to provide licensed child care. foster care, adult care, or similar social services.

to provide a reasonable smoke-free distance around public facilities. A reasonable distance is defined as 25 feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking is prohibited.

The definition of "public place" includes private residences used to provide licensed child care, foster care, adult care, or similar social services. The ban also extends to the schools, bars, taverns, bowling centers, skating rinks, casinos, reception areas, and at least 75 percent of the sleeping quarters within a hotel or motel and rented to guests.

If your customers continue to ask you for information on the new smoking ban, provide them with a Department of Health contact.

Judge orders change in retail direct-shipping law

U.S. Superior Court Judge Marsha Pechman has ruled the state's retail direct-shipping laws violate the Commerce Clause of the U.S. Constitution. Judge Pechman has given the state until April 14, to amend its laws to level the playing field between in-state and out-of-state wineries and breweries wishing to ship directly to retailers.

The suit, filed by Costco, challenges the validity of the state's three-tier system for the regulation of wine and beer.

The state's three-tier system requires out-of-state wineries to ship to retailers through a licensed Washington distributor. However, it allows in-state wineries and breweries to ship directly to retailers. The judge wants this disparity eliminated.

The Washington State Liquor Control Board has

been listening to the concerns of all stakeholders involved in this issue and will introduce legislation this session to eliminate the disparity.

There are three possible courses of action for the Legislature:

- 1) Eliminate in-state direct shipping privileges;
- 2) Allow all in-state and out-of-state wineries to ship directly to retailers; or,
- 3) Allow small in-state and out-of-state wineries to ship directly but require large producers to use distributors.

The Board heard stakeholder comment on these alternatives the week of January 17. If the Legislature does not act on this issue by April 14, the judge has ordered the state to eliminate in-state direct shipping privileges as a remedy.

Licensee application training now on CD Rom

Training to apply for liquor licensees is now available on CD Rom. The new educational program, developed by the LCB Kennewick Enforcement office, replaces the in-person trainings conducted across the state each month.

Applicants can contact their local enforcement office to receive the training CDs for the class of license they are seeking. When training is completed the applicant simply sends an e-mail stating that they've completed the training, or, they may fax or mail the completion form conveniently provided with the CD to the LCB.

Thirteen license class trainings are available on CD and a Spanish version of the classes will be available later this year. To obtain training CDs contact your local enforcement office. A list of enforcement offices for the state is available at www.liq.wa.gov.

This new training style provides consistent statewide training, allows applicants to take the trainings when it is most convenient for them at the location of their choice and reduces training time to only the training needed for the specific class of license they desire.

The PowerPoint presentation on the training CD Rom provides a focused study for Liquor Licensees.



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